

# Onshore Oil and Gas Order No. 1

**Bureau of Land Management**  
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## **Onshore Oil and Gas Order No. 1 - Approval of Operations on Onshore Federal and Indian Oil and Gas Leases**

### Introduction

- I. Accountability
- II. Special Situations
- III. Drilling Operations
  - A. Surveying and Staking
  - B. Material to be Filed
    - 1. Notice of Staking
    - 2. Application for Permit to Drill
  - C. Conferences and Inspections
  - D. Processing Time Frames
  - E. Cultural Resources Clearance
  - F. Threatened and Endangered Species Clearance and Other Critical Environmental Concerns
  - G. Components of a Complete Application for Permit to Drill
- IV. Subsequent Operations
  - A. Well and Production Operations
  - B. Surface Disturbing Operations
  - C. Emergency Repairs
  - D. Environmental Review
- V. Well Abandonment
- VI. Water Well Conversion
- VII. Privately Owned Surface
- VIII. Reports and Activities Required After Well Completion

# **Onshore Oil and Gas Order No. 1**

## **Approval of Operations**

### **Introduction**

This Order is established pursuant to the authority prescribed in 43 CFR Part 3160, formerly 30 CFR 221. Approval of all proposed exploratory, development, and service wells, and all required approvals of subsequent well operations and other lease operations, shall be obtained in accordance with 43 CFR 3162.3-1, 3162.3-2, 3162.3-3, 3162.3-4 and 3162.5-1, formerly 30 CFR 221.23, 221.27, 221.28, 221.29, or 221.30, as appropriate.

All wells approved for drilling under the provisions of this Order shall have been included in a drilling plan, as required under 43 CFR 3162.3-1(d), formerly 30 CFR 221.23(d).

A drilling plan may be submitted for a single well, or for several wells that are proposed to be drilled to the same zone within a field or area of geological and environmental similarity. Plans for additional development of the leasehold should be considered in the submittal.

However, approval of Form 3160-3, formerly 9-331C (Application for Permit to Drill, Deepen, or Plug Back) is required for each well, and in order to be complete an Application for Permit to Drill (APD) shall include all information required under 43 CFR 3162.3-1 (d) and (e). A technically and administratively complete APD includes, in addition to Form 3160-3, a drilling plan, evidence of bond coverage, a designation of operator, when appropriate, and such other information as may be required by applicable Order or Notice to evaluate the proposal. Refer to section III.G. for more detailed guidance on complete APD'S.

Certain subsequent well operations and other lease operations involving additional surface disturbance shall be included in a plan submitted on Form 3160-5, formerly 9-331 (Sundry Notices and Reports On Wells), and approved under the provisions of this Order pursuant to 43 CFR 3162.3-2 or 3162.3-3, formerly 30 CFR 221.27 or 221.28, respectively.

A report on all subsequent well operations shall be filed on Form 3160-5, as prescribed in 43 CFR 3162.3-2. A notice of intention to abandon a well and a subsequent report of abandonment shall also be filed on Form 3160-5, as required by 43 CFR 3162.3-4.

All applications for approval under the provisions of this Order shall be submitted to the appropriate authorized officer of the Bureau of Land Management (BLM). "Authorized Officer" means any person authorized to perform the duties prescribed. To be advised of the proper BLM official and office with which to file an application, the lessee/operator

may contact the appropriate District Manager of BLM having jurisdiction over lease operations in a particular area.

The lessee/operator shall comply with the following requirements:

## **I. Accountability**

Lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which (1) conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian leases; (2) conforms with the lease terms, lease stipulations, and conditions of approval; (3) results in diligent development and efficient resource recovery; (4) protects the lease from drainage; (5) affords adequate safeguards for the environment; (6) results in the proper reclamation of disturbed lands; (7) conforms with current available technology and practice; (8) assures that underground sources of fresh water will not be endangered by any fluid injection operation; and (9) otherwise assures the protection of the public health and safety. Lessees and operators shall be held fully accountable for their contractors and subcontractors' compliance with the requirements of the approved permit and/or plan. Drilling/construction and associated operations shall not be conducted without prior approval of the authorized officer of BLM. BLM approval of the APD does not relieve the lessee and operator from obtaining any other authorizations required for operations on Federal and Indian lands.

[48 FR 56226, Dec. 20, 1983]

## **II. Special Situations**

Lessees and operators, as well as their contractors and subcontractors, shall not commence any operation or construction activity on a lease, other than cultural resource inventories and surveying and staking well locations on Federal and Indian lands, without the prior approval of the authorized officer of BLM, except for certain subsequent operations (see Section IV. of this Order). The terms and conditions of an approved permit and drilling plan, or other plan, shall not be altered unless BLM first has approved an amended or supplemental permit and/or plan covering any such modifications.

For proposed operations on a committed State or fee tract in a Federally supervised unit or communitized tract, the operator shall furnish a copy of the approved State permit to the authorized officer of BLM which will be accepted for record purposes. In addition, in cases where an access road to a non-Federal or non-Indian drill site will cross leased Federal or Indian lands, the operator shall submit a surface use plan only for those portions of the access road on Federal or Indian lands where new construction or reconstruction will occur. Such plans

shall be submitted to the authorized officer of BLM or appropriate Federal Surface Management Agency (SMA) and approval obtained prior to commencement of construction operations on the Federal or Indian surface. For privately owned surface, refer to section VII.

[48 FR 56226, Dec. 20, 1983]

### **III. Drilling Operations**

#### **A. Surveying and Staking**

Surveying and staking may be done without advance approval from the authorized officer of BLM or other appropriate SMA and prior to the conduct of any required cultural resource inventory, except for lands administered by the Department of Defense or other lands used for military purposes, or where significant surface disturbance is likely to occur.

Lessees and operators are strongly encouraged to notify the appropriate SMA prior to entry upon the lands for the purposes of surveying and staking. Early notification will allow the SMA to apprise the lessees and operators of any existing conditions, knowledge of which could result in saving of time and money by both industry and Government. These include but are not limited to:

- Whether a cultural resource inventory is required;
- Presence of threatened or endangered species and/or critical habitats;
- Vehicle access restrictions; and/or
- Permitting requirements applicable to affected lands outside the leasehold boundary.

Where the surface is privately owned or held in trust of Indian benefit, the lessee/operator is responsible for making access arrangements with the private surface owner or the Bureau of Indian Affairs (BIA) and Indian tribe or Indian allottee(s) prior to entry upon the lands for the purpose of surveying and staking.

Staking shall include the well location, two 200-foot directional reference stakes, the exterior dimensions of the drill pad, reserve pit and other areas of surface disturbance, cuts and fills, and centerline flagging of new roads with road stakes being visible from one to the next. Cut and fill staking applies only to the well site, reserve pit, and, if off-location, any ancillary facilities.

## **B. Material to be filed**

### **1. Notice of Staking**

Prior to filing a complete APD, the lessee or operator may, at its option, file a Notice of Staking (Attachment A) with the authorized officer of BLM and appropriate office of any other involved SMA. In Alaska, a copy of the Notice shall also be sent to the appropriate Borough and/or Native Regional or Village Corporation when a subsistence stipulation is part of the lease.

The information contained in the Notice of Staking (NOS) will aid in identifying the need for associated rights-of-way and special use permits. If all required information is not included, the NOS shall be returned to the operator for modification.

### **2. Application for Permit to Drill (APD)**

Regardless of whether an NOS is filed, the lessee or operator shall file an APD. This application shall be administratively and technically complete prior to approval. The authorized officer of BLM shall advise the lessee or operator, within 7 working days of receipt of the application, as to whether or not the application is complete. If the application is complete, oral notification will suffice. If the application is not complete, notification to that effect shall be made in writing even though the lessee or operator may have already received oral notification. For purposes of written notification, Attachment B, Checklist For Applicant Notification, shall be mailed to the applicant within the 7-day period. The notification shall advise the lessee or operator of any defects that need correcting and of any additional information required. If the deficiencies are not corrected and/or the additional required information is not submitted within 45 days of the date of any oral or written notice (if no prior oral notice), the application shall be returned to the proponent.

Upon initiation of the APD process, the authorized officer of BLM shall consult with any other involved SMA and with other appropriate interested parties, and shall take one of the following actions within 30 days: (1) approve the application as submitted or with appropriate modifications or stipulations; (2) return the application and advise the lessee or operator of the reasons for disapproval; or (3) advise the lessee or operator, either in writing or orally with subsequent written confirmation,

of the reasons why final action will be delayed and the date such final action is expected.

When the NOS option is followed, BLM shall strive to process the subsequent related APD within 10 days of the APD's receipt. However, in either situation, the process of reviewing the APD and advising the lessee or operator as to whether it is technically and administratively complete shall be considered a part of the overall APD processing time, i.e., 30 days in case of the APD option and 10 days if the NOS process is utilized. Operators are cautioned that with respect to any particular well, the option selected initially, of either filing both an NOS and a subsequent APD or only an APD, is to be followed and there shall be no shifting between the two options. If operators fail to maintain a consistent approach in this regard, the processing time already expended shall not be counted as part of the above 30-day period.

The processing of applications shall be given a high priority, and individual applications shall be processed according to the date the application is received by the appropriate BLM office. If it is not possible for BLM actions to be taken prior to lease expiration, the lessee or operator shall be advised, at least orally, prior to the lease expiration date, with all such notifications confirmed in writing. Said advice shall detail the reasons for delay so that the lessee or operator may take such appeal or other recourse to preserve the lease as is allowed by law and/or regulation. The appropriate BLM office telephone number and address shall be furnished to the lessee or operator with the earliest notification or advice.

[48 FR 56226 and 56227, Dec. 20, 1983]

### **C. Conferences and Inspections**

An onsite predrill inspection shall be scheduled and conducted by the appropriate BLM office within 15 days of receiving the applicant's initially- filed document, i.e., either an NOS or a complete APD. In special circumstances, such as those areas enumerated in section III. D., the authorized officer of BLM may require the filing of a complete APD prior to the scheduling of an onsite predrill inspection. Representatives of the appropriate BLM office, the operator and other interested parties, such as any other involved SMA, the appropriate Alaska Borough and/or Native Regional or Village Corporation (when a subsistence stipulation is part of the lease), and the operator's principal dirt and, if known, drilling contractor shall attend the predrill inspection. When appropriate, the operator's surveyor and archeologist should also participate in the inspection. If any other involved SMA is not able to participate at the desired time, the inspection may be rescheduled provided it can be

conducted within the 15-day period. When private surface is involved, the lessee or operator shall furnish the name, address and, if known, telephone number of the private surface owner on the NOS form or, in the surface use program, such information shall be attached to the APD. The BLM shall invite the surface owner to participate in the onsite inspection. This invitation will be extended as early as possible. However, a surface owner's inability to attend shall not delay the scheduled inspection unless BLM can conveniently reschedule the inspection within the 15-day time period. Joint inspections, i.e., those involving any other SMA, normally shall not be held for proposed in fill well locations in developed fields if an appropriate environmental assessment (EA) already has been completed by BLM for the field or that area of the field. However, if staffing permits, a representative of BLM shall inspect those proposed locations where a joint predrill inspection is not held. At the time of onsite inspection, staking of the location shall have occurred, as specified in part A of this section.

The surface use and reclamation stipulations shall be developed during the onsite inspection and provided to the operator either at the location or within 5 working days from the date of the onsite inspection, barring unusual circumstances. These requirements shall be incorporated into the complete application, when filed, if the proponent is following the NOS option. Otherwise, these requirements shall be incorporated as conditions of the APD approval if an NOS is not filed. However, this does not preclude the possibility of additional conditions being imposed as a result of the review of the complete application.

[48 FR 56226 and 56227, Dec. 20, 1983]

#### **D. Processing Time Frames**

The following table summarizes the major time frames involved in processing most APD'S:

<b>APD Option</b>	
<b>Action items</b>	<b>Days</b>
Onsite inspection.....	Within 15-days after receipt of the APD.
Requirements to be imposed when APD is approved.	Developed onsite or within 5 working days thereafter.
Complete processing of APD.	Within 30 days of APD receipt, provided that it is technically and administratively complete at the end of the 30 day period (includes the above 15-day and 5-day periods).

## NOS OPTION

Action items	Days
Onsite inspection.....	Within 15 days of receipt of the NOS.
Requirements for inclusion in the APD.	Furnish onsite or within 5 working days thereafter.
Complete processing of APD.	Within 10 days of the APD's receipt, provided that it is technically and administratively complete at the end of the 10-day period.

The above time frames together comprise the total period during which BLM anticipates it will be able to process approximately 90 percent of all APD'S. However, the 30 days may not run consecutively even when APD's are filed immediately after onsite inspections. For example, any time used by lessees or operators to correct deficiencies, or to prepare and submit information initially omitted from the application and which causes delays in processing beyond BLM's control, shall not be counted as part of the 30-day period. However, BLM shall continue to process applications up to the point where any missing piece of information or an uncorrected deficiency renders further processing impractical or impossible. Processing delays which extend the 30-day processing time are expected to occur in less than 5 percent of the cases. In addition, delays in conducting onsite inspections within 15 days of receiving an NOS (or an APD if an NOS is not filed), or delays in providing all stipulations to the operator within 5 working days of an onsite inspection may occur in less than 5 percent of the cases during periods of severe weather conditions and in areas where certain environmental concerns or jurisdictional conflicts exist.

Such areas include, but are not limited to:

1. Certain tribally or individually owned Indian trust or restricted lands.
2. Lands withdrawn for Federal reservoirs and Federal lands surrounding such reservoirs.
3. Lands in formally designated wilderness areas, lands formally proposed for such designation, lands within BLM Wilderness Study Areas or lands within Forest Service Further Planning Areas.
4. National Recreation Areas.
5. Wildlife Refuges.
6. Certain Federal lands in Alaska.
7. Lands under jurisdiction of the Department of Defense.
8. Lands where a major problem exists with respect to cultural resources.



9. Lands known to contain threatened or endangered species and/or critical habitats.

The 30-day time frame for completion of the APD process may sometimes be exceeded where it is necessary to prepare an EA, and in all cases where it is necessary to prepare an environmental impact statement (EIS).

Lessees and operators are also cautioned that if the NOS/APD process begins less than 30 days prior to the desired date of commencement of drilling operations, the process may not be completed within the time desired.

[48 FR 56227, Dec. 20, 1983]

## **E. Cultural Resources Clearance**

Because consultation with the involved SMA and the State Historic Preservation Officer on matters that relate to the protection of historic and cultural resources is provided in BLM (36 CFR 800.4(a)(1)), lessees and operators should contact the involved SMA at least 15 days prior to the submission of an NOS or APD to determine whether any actions are necessary to locate and identify historic and cultural resources.

Survey work and a related report shall be required only if the involved SMA has reason to believe that properties listed, or eligible for listing, in the National Register of Historic Places (NRHP) are present in the area of potential effect. If such actions are necessary, lessees and operators are encouraged to complete the field work and submit the required report with the complete APD submittal, when following the NOS option, or not later than the 25th day of the 30-day processing period, when following the APD option. Historic and cultural resources work on privately owned surface shall be undertaken only with the consent of the private surface owner. If the private surface owner refuses entry for that purpose, the lessee or operator shall use its best efforts to conduct its approved operations in a manner that avoids adverse effects on any properties which are listed, or may be eligible for listing, in the NRHP.

[48 FR 56227, Dec. 20, 1983]

## **F. Threatened and Endangered Species Clearance and Other Critical Environmental Concerns**

The involved SMA shall identify any threatened and endangered species and/or critical habitat problems and other environmental concerns, e.g., wilderness and wilderness study areas, wild and scenic rivers, etc., to

minimize the possibility of drill site relocation. Should the SMA, if that agency is not BLM, be unable to carry out this responsibility, BLM shall do so. BLM shall identify any known or potential surface geological hazards. If any of these concerns exist, information in that regard shall be conveyed to the lessee/operator by BLM no later than when the surface use and reclamation stipulations are provided; however, the lessee/operator can ensure earlier identification of potential conflict in these areas of concern by contacting the involved SMA prior to the submittal of an NOS or APD. The authorized officer of BLM should be timely apprised of any contacts with any other involved SMA.

## **G. Components of a Complete Application for Permit to Drill**

1. *Complete Application.* If an NOS is filed, the lessee/operator shall prepare and submit a complete APD within 45 days of the onsite inspection pursuant to the requirements of this subsection. Failure to timely submit an APD within this time frame may result in the lessee/operator having to repeat the entire process. The complete APD shall be submitted in triplicate to BLM, together with any additional copies required by the authorized officer. As provided in 43 CFR 3162.3-1(d), formerly 30 CFR 221.23(d), a complete application consists of:

- (a) Form 3160-3,
- (b) a drilling plan (or reference thereto) containing information required by section G.4., below,
- (c) evidence of bond coverage as required by Department of the Interior regulations,
- (d) designation of operator, where necessary, and
- (e) such other information as may be required by applicable Orders and Notices. The APD shall be signed by the lessee/operator official having the responsibility and authority to supervise and direct all activities related to the permit and who can be contacted in the event of a problem. The authorized officer may require additional information in unusual circumstances. However, where the proposed well is to be completed for injection purposes (disposal or production enhancement), lessees and operators also shall obtain an underground injection permit from the Environmental Protection Agency (EPA) or the State, where the State has achieved primacy. Any information submitted in support of obtaining that permit shall be accepted by the authorized

officer to the extent that it satisfies the information submission requirements of this Order.

[48 FR 56227, Dec.20, 1983]

*2. Designation of Operator* The lessee may authorize the actual conduct of operations in its behalf by designating another party as operator in a manner and form acceptable to the authorized officer. Lessees shall notify the authorized officer in writing whenever an existing designation of operator is cancelled. A designated operator cannot designate a different party as operator.

*3. Form 3160-3. formerly 9-331 C, (Application for Permit to Drill, Deepen, or Plug Back)* This Form shall be completed in full and submitted to the authorized officer together with all necessary information referred to under section G.1. above. The following points a. through f. are specific as to appropriate information requirements of the Form and shall be stated thereon, or as an attachment thereto, for each proposed well:

- a. A well location plat shall be attached depicting the proposed location, as determined by a registered surveyor, in feet and direction from the nearest section lines of an established public land survey or, in areas where there are no public land surveys, by such other method as is acceptable to the authorized officer. The plat shall be signed by the surveyor, certifying that the location has, in fact, been staked on the grounds as shown on the plat.
- b. The elevation given shall be the above-sea-level datum of the unprepared ground.
- c. The type of drilling tools to be utilized shall be stated.
- d. The proposed casing program shall include the size, grade, weight, type of thread and coupling, and setting depth of each string, and whether it is new or used.
- e. The amount and type of cement, including additives to be used in setting each casing string. Shall be described. If stage-cementing techniques are to be employed, the setting depth of the stage collars and amount and type of cement, including additives, to be used in each stage shall be given. The expected linear fill-up of each cemented string or each stage, when utilizing stage-cementing techniques, shall be provided.
- f. The anticipated duration of the total operation shall be given in addition to the anticipated starting date. A copy of the approved

Form 3160-3 and the pertinent drilling plan, along with any conditions of approval, shall be available at the drill site to authorized or delegated representatives of the United States whenever active construction, drilling, or completion operations are under way.

[48 FR 56227, Dec. 20, 1983]

4. *Drilling Plan* A drilling plan in sufficient detail to permit a complete appraisal of the technical adequacy of, and environmental effects associated with, the proposed project shall be prepared and either submitted with each copy of Form 3160-3, or referenced thereon if it is already on file with BLM or is being submitted for more than one well. The plan shall be developed in conformity with the provisions of the lease. Including attached stipulations, and the guidelines provided by this Order or other land use documents. Each drilling plan shall contain a description of the drilling program and surface use program. The BLM shall send a copy of appropriate parts of the plan to any other involved SMA and may send a copy of the plan to other interested Federal, State, and local agencies. All information identified as proprietary by the applicant pursuant to 43 CFR 3162.8, formerly 30 CFR 221.33, shall first be deleted. The drilling program shall include a description of the pressure control system and circulation mediums, the testing, logging and coring program, pertinent geologic data, and information on expected problems and hazards. The drilling program shall be reviewed for adequacy by BLM. If the program is considered inadequate, BLM shall require modification of the drilling program.

The surface use program shall contain a description of the road and drill pad location and construction methods for containment and disposal of waste material, and other pertinent data as the authorized officer may require. The surface use program shall provide for safe operations,. Adequate protection of surface resources and uses and other environmental components, and shall, for Federal and Indian surface, include adequate measures for reclamation of disturbed lands no longer needed for either drilling or other subsequent operations. Where the surface is privately owned, the authorized officer may require the submission of the reclamation plan between the lessee or operator and landowner in order to determine if it is adequate to protect nearby Federal and Indian surface from significant impacts generated by the operation. In developing the surface use program, the lessee or operator shall make use of such information as is available from the involved SMA concerning the surface resources and uses, environmental

considerations, and local reclamation procedures. The surface use program shall be reviewed for adequacy by BLM and by any other involved SMA. If the surface use program is considered inadequate, BLM shall, in consultation with any other involved SMA, require modifications or amendment of the program or otherwise set forth stipulations or conditions of approval as are necessary for the protection of surface resources/uses and the environment, and for the reclamation of the areas to be disturbed when no longer needed for operational purposes.

[48 FR 56227, Dec. 20, 1983]

a. *Guidelines for Preparing Drilling Program* The following information shall be included as part of the drilling plan but shall be made specific to each well if the plan covers more than one well:

- (1) Estimated tops of important geologic markers.
- (2) Estimated depths at which the top and the bottom of anticipated water (particularly fresh water), oil, gas or other mineral-bearing formations are expected to be encountered and the lessee's or operator's plans for protecting such resources.
- (3) Lessee's or operator's minimum specifications for pressure control equipment to be used and a schematic diagram thereof showing sizes, pressure ratings (or API series), and the testing procedures and testing frequency.
- (4) Any supplementary information more completely describing the drilling equipment and casing program as set forth on Form 3160-3.
- (5) Type and characteristics of the proposed circulating medium or mediums to be employed in drilling, the quantities and types of mud and weighting material to be maintained, and the monitoring equipment to be used on the mud system.
- (6) The anticipated type and amount of testing, logging, and coring.
- (7) The expected bottom hole pressure and any anticipated abnormal pressures or temperatures or potential hazards, such as hydrogen sulfide, expected to be

encountered, along with contingency plans for mitigating such identified hazards.

- (8) Any other facets of the proposed operation which the lessee or operator wishes to point out for BLM's consideration of the application.

(b) Guidelines for Preparing Surface Use Program. In preparing this program, the lessee or operator shall submit maps, plats, and narrative descriptions which adhere closely to the following (maps and plats should be of a scale no smaller than 1:24,000 unless otherwise stated below):

(1) *Existing Roads.* A legible map (USGS topographic, county road, Alaska Borough, or other such map), labeled and showing the access route to the location, shall be used for locating the proposed well site in relation to a town (village) or other locatable point, such as a highway or county road, which handles the majority of the through traffic to the general area. The proposed route to the location, including appropriate distances from the point where the access route exits established roads, shall be shown. All access roads shall be appropriately labeled. Any plans for improvement and/or a statement that existing roads will be maintained in the same or better condition shall be provided. Existing roads and newly constructed roads on surface under the jurisdiction of an SMA shall be maintained in accordance with the standards of the SMA. Information required by items (2), (3), (4), (5), (6), and (8) of this subsection also may be shown on this map if appropriately labeled or on a separate plat or map.

(2) *Access Roads to Be Constructed and Reconstructed.* All permanent and temporary access roads that are to be constructed, or reconstructed, in connection with the drilling of the proposed well shall be appropriately identified and submitted on a map or plat. Width, maximum grade, major cuts and fills, turnouts, drainage design, location and size of culverts and/or bridges, fence cuts and/or cattle guards, and type of surfacing material, if any, shall be stated for all construction. In addition, where permafrost exists, the methods for protection from thawing must be indicated. Modification of proposed road design may be required during the onsite inspection.

Information also should be furnished to indicate where existing facilities may be altered or modified. Such facilities include gates, cattle guards, culverts, and bridges which, if installed or replaced, shall be designed to adequately carry anticipated loads.

[48 FR 56227, Dec.20, 1983]

(3) *Location of Existing Wells.* It is recommended that this information be submitted on a map or plat and include all wells (water, injection or disposal, producing, and drilling) within a 1-mile radius of the proposed location.

(4) Location of Existing and/or Proposed Facilities if Well is Productive.

(a) *On well pad* - A map or plat shall be included showing, to the extent known or anticipated, the location of all production facilities and lines to be installed if the well is successfully completed for production.

(b) *Off well pad* - A map or plat shall be included showing to the extent known or anticipated, the existing or new production facilities to be utilized and the lines to be installed if the well is successfully completed for production. If new construction, the dimensions of the facility layout are to be shown.

If the information required under (a) or (b) above is not known and cannot be accurately presented and the well subsequently is completed for production, the operator shall then comply with section IV. of this Order.

(5) *Location and Type of Water Supply (Rivers, Creeks, Lakes, Ponds, and Wells).* This information may be shown by quarter-quarter section on a map or plat, or may be a written description. The source and transportation method for all water to be used in drilling the proposed well shall be noted if the source is located on Federal or Indian lands or if water is to be used from a Federal or Indian project. If the water is obtained from other than Federal or Indian lands, only the location need be identified. Any access roads crossing Federal or Indian lands that are needed to haul the water shall be described in items G.4.b. (1) and

(2), as appropriate. If a water supply well is to be drilled on the lease, it shall be so stated under this item, and the authorized officer of BLM may require the filing of a separate APD.

(6) *Construction Materials.* The lessee or operator shall state the character and intended use of all construction materials, such as sand, gravel, stone and soil material. If the materials to be used are Federally-owned, the proposed source shall be shown by either quarter-quarter section on a map or plat, or a written description. The use of materials under BLM jurisdiction is governed by 43 CFR 3610.2-3. The authorized officer shall inform the lessee or operator if the materials may be used free of charge or if an application for sale is required. If the materials to be used are Indian owned or under the jurisdiction of any SMA other than BLM, the specific tribe and or Area Superintendent of BIA, or the appropriate SMA office shall be contacted to determine the appropriate procedure for use of the materials.

[48 FR 56227, Dec. 20, 1983]

(7) *Methods for Handling Waste disposal* A written description shall be given of the methods and locations proposed for safe containment and disposal of each type of waste material (e.g., cuttings, garbage, salts, chemicals, sewage, etc.) that results from the drilling of the proposed well. Likewise, the narrative shall include plans for the eventual disposal of drilling fluids and any produced oil or water recovered during testing operations.

(8) *Ancillary Facilities.* The plans, or subsequent amendments to such plans, shall identify all ancillary facilities such as camps and airstrips as to their location, land area required, and the methods and standards to be employed in their construction. Such facilities shall be shown on a map or plat. The approximate center of proposed camps and the center line of airstrips shall be staked on the ground.

(9) *Well Site Layout.* A plat of suitable scale (not less than 1 inch= 50 feet) showing the proposed drill pad and its approximate location with respect to topographic features is required. Cross section diagrams of the drill pad showing any cuts and fills and the relation to topography are also



required. The plat shall also include the approximate proposed location of the reserve and burn pits, access roads onto the pad, turnaround areas, parking areas, living facilities, soil material stockpiles, and the orientation of the rig with respect to the pad and other facilities. Plans, if any, to line the reserve pit shall be detailed.

[48 FR 56227, Dec. 20, 1983]

(10) *Plans for Reclamation of the Surface.* The program for surface reclamation upon completion of the operation, such as configuration of the reshaped topography, drainage system, segregation of spoil materials, surface manipulations, waste disposal, revegetation methods, and soil treatments, plus other practices necessary to reclaim all disturbed areas, including any access roads or portions of well pads when no longer needed, shall be stated. An estimate of the time for commencement and completion of reclamation operations, dependent on weather conditions and other local uses of the area, shall be provided.

[48 FR 56227, Dec. 20, 1983]

(11) *Surface Ownership.* The surface ownership (Federal, Indian, State or private) at the well location, and for all lands crossed by roads which are to be constructed or upgraded, shall be indicated. Where the surface of the well site is privately owned, the operator shall provide the name, address and, if known, telephone number of the surface owner, unless previously provided.

[48 FR 56227, Dec. 20, 1983]

(12) *Other Information.* The lessee or operator is encouraged to submit any additional information that may be helpful in processing the application.

(13) *Lessee's or Operator's Representative and Certification.* The name, address and telephone number of the lessee's or operator's field representative shall be included. The lessee or operator submitting the APD shall certify as follow,:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which

currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by \_\_\_\_\_ and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date \_\_\_\_\_

Name and Title  
\_\_\_\_\_

5. Environmental Review Requirements. When an onsite inspection is conducted, it shall be made by representatives of the authorized officer and the operator, and other interested parties such as the involved SMA, the appropriate Alaska Borough and/or Native Regional corporation (when a subsistence stipulation is part of the lease), and the operator's principal dirt contractor and, if known, drilling contractor. It is recommended that, when appropriate, the operator's surveyor and archeologist should also participate in the inspection. The purpose of this inspection shall be to ensure the staked location, access roads and other areas proposed for surface disturbance are geologically and environmentally acceptable, giving appropriate consideration to all applicable Federal laws and regulations. Lessees and operators are encouraged to designate their future drilling sites so that several locations may be inspected at one time.

[48 FR 56227, Dec. 20, 1983]

- a. *Federal Responsibilities.* When an inspection is made, the information obtained shall be utilized by BLM in appraising the environmental effects associated with the proposed action and in preparing pertinent portions of the required environmental documentation. As the approving agency, BLM has the lead responsibility for completing the environmental review process and establishing the terms and conditions under which the proposed action may be approved. The conduct of the environmental review process, under the Department of the Interior's implementing procedures pursuant to the National Environmental Policy Act, will result in the preparation of a Record of Review (ROR) and/or an EA, consistent with pertinent regulations and procedures. This review shall identify the probable and potential environmental impacts associated with the proposal and methods for mitigating these impacts and shall be the basis of the approving official's determination as to whether approval of the proposed activity would or would not

constitute a major Federal action significantly affecting the quality of the human environment as defined by section 102(2)(C) of the National Environmental Policy Act of 1969. A "would constitute" determination shall necessitate the preparation of an EIS. In that case, final action on the APD shall not be taken until the EIS and Record of Decision are completed.

- b. *Other Considerations.* Lessees and operators are strongly encouraged to file their NOS and/or complete APD at least 30 days in advance of the time when they wish to commence operations and to consult with the involved SMA as early as possible to identify potential areas of concern (see sections III. E. and F.).

#### **IV. Subsequent Operations**

Subsequent operations shall be conducted in accordance with 43 CFR Part 3160, formerly 30 CFR 221. However, where the proposed subsequent operation will result in the well being converted for injection purposes (disposal or production enhancement), lessees and operators also shall obtain an underground injection permit from EPA or the State, where the State has achieved primacy. Any information submitted in support of obtaining that permit shall be accepted by the authorized officer of BLM to the extent that it satisfies the information submittal requirements of this Order.

##### **A. Well and Production Operations.**

Before conducting further well operations that involve change in the original plan, a detailed written statement of the work shall be filed on Form 3160-5 or 3160-3, as appropriate, with the authorized officer and approval obtained before the work is started. These operations include redrilling, deepening, performing casing repairs, plugging-back, altering casing, performing non-routine fracturing jobs, recompleting in a different interval, performing water shut-off, and converting to injection or disposal. Within 30 days of the completion of such operations, a subsequent report shall be filed on Form 3160-5 and, if the well is recompleted, a recompletion report on Form 3160-4, pursuant to 43 CFR 3162.3-2 and the information collection approval note, formerly 30 CFR 221.27 and 221.2-1.

Unless additional surface disturbance is involved and so long as the operations conform to the standard of prudent operating practice, no prior approval is required for routine fracturing or acidizing jobs, or recompletion in the same interval, but a subsequent report of these operations shall be filed on Form 3160-5, formerly 9-331, within 30 days

of completion, pursuant to 43 CFR 3162.3-2 and the information collection approval note, formerly 30 CFR 221.27 and 221.2-1.

Neither prior approval nor a subsequent report is required for well clean-out work, routine well maintenance (such as pump, rods, and tubing work), or for repair, replacement, or modification of surface production equipment, provided no additional surface disturbance is involved. However, the modification of any production, treating, and measurement facilities shall require the submission of a revised schematic diagram within 30 days of the completion of such operations, pursuant to 43 CFR 3162.7-2, formerly 30 CFR 221.34.

[48 FR 56227, Dec.20, 1983]

## **B. Surface Disturbing Operations.**

Pursuant to 43 CFR 3162.3-2 and 3162.3-3, formerly 30 CFR 221.27 and 221.28, lessees and operators shall submit, for the approval of the authorized officer, a proposed plan of operations on Form 3160-5 prior to undertaking any subsequent new construction, reconstruction, or alteration of existing facilities including, but not limited to, roads, emergency pits, firewalls, flow lines, or other production facilities on any lease when additional surface disturbance will result. If, at the time the original APD was filed, the lessee or operator elected to defer submitting information for item III.G.4.b.(4), "Location of Existing and/or Proposed Facilities if Well is Productive," the lessee or operator shall supply this information for approval prior to construction and installation of the facilities. The authorized officer, in consultation with any other involved SMA, may require a field inspection before approving the proposal.

## **C. Emergency Repairs.**

Emergency repairs may be conducted without prior approval provided that the authorized officer is promptly notified. Sufficient information shall be submitted to permit a proper evaluation of any resultant surface disturbing activities as well as any planned accommodations necessary to mitigate potential adverse environmental effects.

## **D. Environmental Review.**

The environmental review procedures discussed in section III.G.5. of this Order shall also apply to subsequent operations which involve additional surface disturbance.

## **V. Well Abandonment.**

No well abandonment operations may be commenced without the prior approval of the authorized officer. In the case of newly drilled dry holes or failures and in emergency situations, oral approval may be obtained from the authorized officer subject to prompt written confirmation. For old wells not having an approved abandonment plan, a sketch showing the disturbed area and roads to be abandoned, along with the proposed reclamation measures, shall be submitted with Form 3160-5. On Federal and Indian surface, the appropriate SMA may request additional reclamation measures at abandonment, which normally shall be made a part of BLM's approval of abandonment. Within 30 days following completion of the well abandonment, the lessee or operator shall file with the authorized officer of BLM a Subsequent Report of Abandonment on Form 3160-5, in accordance with 43 CFR Part 3160, formerly 30 CFR Part 221. Upon completion of reclamation operations, the lessee or operator shall notify the authorized officer when the location is ready for inspection, via an additional Form 3160-5. Final abandonment shall not be approved until the surface reclamation work required by the approved drilling permit or approved abandonment notice has been completed to the satisfaction of the involved SMA.

## **VI. Water Well Conversion.**

The complete abandonment of a well which has encountered usable fresh water shall not be approved if the SMA or surface owner wants to acquire the well. If, at abandonment, the SMA or surface owner elects to assume further responsibility for the well, the SMA or surface owner, as appropriate, shall reimburse the lessee or operator for the cost of any recoverable casing or wellhead equipment which is to be left in or on the hole solely because it is to be completed as a water well. The lessee or operator shall abandon the well to the base of the deepest fresh water zone of interest, as required by the authorized officer, and shall complete the surface cleanup and reclamation, as required by the approved drilling permit or approved abandonment notice, immediately upon completion of the conversion operations.

## **VII. Privately Owned Surface.**

A. *Federal oil and gas leases.* Where the well site and access road surface are privately owned or are held in trust for Indian benefit, the lessee or operator is responsible for reaching an agreement with BIA or the private surface owner as to the requirements for the protection of surface resources and reclamation of disturbed areas and/or damages in lieu thereof. However, if the authorized officer or any other involved SMA determines that the surface of Federal or Indian-owned lands in proximity to the proposed well site or access road on private surface will be significantly affected, the lessee or operator may be required to furnish a copy of any existing agreement between the lessee or operator and the surface owner to the authorized officer. If the agreement on private surface is considered inadequate to protect the surface of adjacent

Federal or Indian-owned lands, the authorized officer or other involved SMA may prescribe additional measures to protect the adjacent Federal or Indian lands. In the event there is no agreement between the surface owner and the operator, the operator may comply with the provisions of the law or the regulations governing the Federal or Indian right of reentry to the surface (See Subpart 3814 of this title) and the authorized officer may then proceed to issue the permit.

- B. *Indian oil and gas cases.* Where the well site and access road surface are privately owned or are held in trust for an Indian or Indian tribe other than the owner of the oil and gas rights, the lessee or operator is responsible for reaching an agreement with the surface owner (or the BIA if the surface is held in trust for numerous or unlocatable Indian owners) as to the requirement for the protection of surface resources and reclamation of disturbed areas and/or damages in lieu thereof. However, if the authorized officer or any other involved SMA determines that the surface of Federal or Indian-owned lands in proximity to the proposed well site or access road on private surface will be significantly affected, the lessee or operator may be required to furnish the authorized officer a copy of any existing agreement between the lessee or operator and the surface owner. If the agreement on private, surface is considered inadequate to protect the surface of adjacent Federal or Indian owned lands, the authorized officer or other involved SMA may prescribe additional measures to protect the adjacent Federal or Indian-owned lands. In the event there is no agreement between the surface owner and the operator, the authorized officer may permit the operator to conduct operations if he/she determines that:

- (1) A good faith effort has been made by the operator to reach agreement with the surface owner,
- (2) Adequate security is posted, in the form of a bond, escrow account or by other means, to compensate the surface owner for any damages; and
- (3) There is no legal obstacle to conducting operations in the absence of surface owner consent.

## **VIII. Reports and Activities Required After Well Completion.**

Within 30 days after the well completion, the lessee or operator shall furnish 2 copies of Form 3160-4, formerly 9-330 (Well Completion or Recompletion Report and Log) to the authorized officer. However, no later than the fifth business day after any well begins production anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well that has been off production for more than 90 days, the lessee or operator shall notify the authorized officer of the date on which production has begun or resumed. The notification may be provided orally if promptly confirmed in writing.

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SAMPLE NOTICE OF STAKING FORMAT

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NOTICE OF STAKING

(Not to be used in place of  
Application for Permit to Drill Form 3160-3

1. Oil Well ____ Gas Well ____ Other ____ (Specify)	6. Lease Number
2. Name of Operator	7. If Indian, Allottee or Tribe Name
3. Name of Specific Contact Person	8. Unit Agreement Name
4. Address & Phone No. of Operator or Agent	9. Farm or Lease Name
5. Surface Location of Well	10. Well No.
Attach: a) Sketch showing road entry onto pad, pad dimensions, and reserve pit. b) Topographical or other acceptable map showing location, access road, and lease boundaries.	11. Field or Wildcat Name
15. Formation Objective(s)	12. Sec., T., R. M., or 1/4 and Survey or Area
16. Estimated Well Depth	13. County, Parish
	14. State or Borough
17. Additional Information (as appropriate; shall include surface owner's name,	

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18. Signed \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

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Note: Upon receipt of the Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road flagged prior to the onsite.

Operators must consider the following prior to the onsite:

- a) H2S Potential
- b) Cultural Resources (Archaeology)
- c) Federal Right of Way or Special Use Permit

IMPORTANT: SEE REVERSE SIDE FOR INSTRUCTIONS

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## **Instructions for Preparation of NOS**

*General:* This provides notice to the Bureau of Land Management (BLM) that staking has been (or will be) completed for well locations on Federal or Indian leases and serves as a request to schedule an onsite inspection. The original and one copy of this notice, together with a map and sketch, should be submitted to the appropriate BLM office.

Any item not completed may be justification for not promptly scheduling the onsite inspection.

*Specific Considerations:* Items included herein should be reviewed and evaluated thoroughly prior to the onsite. These items affect placement of location, road, and facilities. Failure to be prepared with complete, accurate information at the onsite may necessitate later re-evaluation of the site and an additional onsite inspection.

- a. H2S Potential: Prevailing winds, escape routes, and placement of living quarters must be considered.
- b. Cultural Resources: Archeological surveys, if required, should be done prior to, during or immediately following the onsite. Changes in location due to subsequent archeological findings may require an additional onsite. Contact involved Surface Management Agency (SMA) for detailed site specific requirements.
- c. Federal Right-of-Way or Special Use Permit: Access roads outside the leasehold boundary which cross Federal lands will require a right-of-way grant or special use permit and should be discussed with the BLM or other involved SMA at the time of filing the Notice of Staking.

*Supplemental Checklist:* The following items, if applicable, should be submitted with or prior to the Application For Permit to Drill (APD) to ensure timely approval of the application. Contact the BLM regarding specific requirements relating to each item.

- a. Bonding.
- b. Designation of Operator.
- c. Report of Cultural Resources/Archeology.
- d. H2S Contingency Plan.
- e. Status of Plan of Development and Designation of Agent for wells in Federal units.
- f. Federal Right-of-Way (BLM) or Special Use Permit (Forest Service).

*Timetable:* The onsite inspection will be scheduled and conducted by the BLM within 15 days after receipt of this notice. Surface protection and rehabilitation requirements will be made known to the operator by the BLM during the onsite or no later than 5 working days from the date of inspection, barring unusual circumstances. These requirements are to be incorporated into the complete APD. However, this does not exclude the possibility of additional conditions of approval being imposed.

[48 FR 56227, Dec. 20, 1983]

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Date: \_\_\_\_\_

Bureau of Land Management

Checklist for Applicant Notification

Receipt and Acceptability of Application for Permit To Drill (APD)

Lease No. \_\_\_\_\_

Well No. \_\_\_\_\_

Lessee \_\_\_\_\_

Operator \_\_\_\_\_

Date APD Received \_\_\_\_\_

1. \_\_\_\_ APD complete as submitted.
2. \_\_\_\_ APD is deficient in the following area (s) and (see items 3, 4, or 5 below):
  - Designation of Operator
  - Designation of Agent under \_\_\_\_\_ unit Agreement
  - Bonding
  - Cultural Resources Report (depends on Federal Surface Management Agency's Requirements
  - Form 3160-3, formerly 9-331C
  - Drilling Plan
  - Other (Refer to attachment(s) for any specifics)
3. \_\_\_\_ APD is retained; to be processed upon receipt of further information as noted above.
4. \_\_\_\_ APD is being processed; final action pending receipt of further information as noted above.
5. \_\_\_\_ APD is returned for the following reasons: \_\_\_\_\_

**Note:** - A returned APD herewith may be resubmitted when convenient at which time it will be reviewed again for technical and administrative completeness.

A retained but deficient APD must be brought to a technically and administratively acceptable level of completion within 45 days of the date of this notice or the application will be returned unapproved.

[48 FR 56227, Dec. 20, 1983]